



Writer's Direct Dial: 703.755.6730
Facsimile Number: 703.755.6740
Sheba.Chacko@bt.com

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Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

EX PARTE

RE: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No.
05-25

Dear Secretary Dortch:

On July 17, 2012, Ian Livingston, CEO, BT plc sent a communication to Chairman Genachowski. The portion that may be deemed an ex parte communication under 47 CFR 1.1202(a) is excerpted below:

“As you know, BT - and the NoChokePoints coalition - believes that the Commission should take action on special access reform and conclude its review of the special access market as soon as possible. The current system levies real costs. For years now, studies have demonstrated that the existing market failure harms the US economy in both growth and jobs terms. We have found that the market failure also distorts competition in the global and transatlantic multinational telecoms market, as US players are able to obtain non-discriminatory cost-based access in EU, but the cost of last mile access remains a barrier for BT and others in the U.S. We were pleased to see the FCC take up this matter recently. While we were disappointed that the order you circulated in early June to suspend the current pricing flexibility rules and deny petitions for pricing deregulation was not voted on, we believe it is essential to maintain the momentum of action towards comprehensive reform. In the near term, we would welcome the suspension of the current pricing flexibility rules, a mandatory data request and interim pricing relief. There have been recent related developments in the UK and EU-wide. Two weeks ago Ofcom published a consultation proposing new charge controls for certain leased lines services provided by BT, which would result in further decreases in UK wholesale leased line prices for business services: the document covers backhaul and access circuits for business use and proposes price capping formulae which would maintain the UK at the lowest end of pricing in the EU. This follows on from Ofcom's most recent Business Connectivity Market Review consultation, in which

Ofcom sets out analysis of competition in the provision of leased lines services in the UK. You may have seen too that European Digital Agenda Commissioner Neelie Kroes published on 12 July far-reaching policy recommendations on costing methodologies and on rules on non-discrimination in the sector.”

Please contact the undersigned if you have questions regarding matters discussed above.

Sincerely,

A handwritten signature in black ink, appearing to read 'SChacko', with a stylized, cursive script.

Sheba Chacko
Senior Counsel and Head, North American Regulation and
Global Telecoms Policy, BT